



# CITY OF CONCORD

## NEW HAMPSHIRE

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REVISED 10/22/08

### COMMUNITY DEVELOPMENT ADVISORY COMMITTEE MINUTES

September 24, 2008

The meeting was convened at 12:10 P.M. in the Second Floor Conference Room, City Hall, 41 Green Street, Concord, NH 03301.

Present: Jeff Bart, Allen Bennett, Mark Coen, Michael Gfroerer, Nadine Salley, and Janet Sprague

Absent: Elizabeth Blanchard, Todd Haywood, and Dan St. Hilaire

Staff: Matt Walsh, Assistant for Special Projects  
Joia Hughes, Consultant  
Bev Rafferty, Administrative Assistant

1. Minutes of August 27, 2008 meeting:

Nadine Salley had two minor corrections to the minutes: Item 2, first paragraph, change Mike "Green" to Mike "Reed" and change "effect" to "affect". Nadine made a motion to accept the minutes as amended; seconded by Janet Sprague; motion passed unanimously.

At this time, Matt Walsh introduced Joia Hughes as a contractual employee to help us with the CDBG and RLF programs. Joia had worked for the city in the CD Specialist capacity until approximately 2 years ago. She now operates a community development consulting service out of her home so she may spend more time with her family and she will be working for the City of Concord as well as other communities. The members of CDAC welcomed her back and were pleased to have her rejoin us.

2. Community Development Block Grants

**Friedman Court II:** Matt Walsh gave a brief update on the work at Friedman Court II. He had attended the ribbon cutting last evening. This is a 41 unit affordable senior housing development. The construction is basically done, however, there is a punch list to complete and payment of the remaining retainage. All 41 units have been leased and a waiting list with 8 families has been established. The CDBG should be closed out by year end. Bev Rafferty noted that Mike Reed from CATCH had informed her that the final bill should be coming soon for payment of the retainage.

**Tremblay Court Emergency Leak:** Matt Walsh informed CDAC that the temporary repair has been done. F. L. Merrill completed the work. The total cost (between W. M. Turner and Merrill) was approximately \$6,000. Matt needs to update the grant agreements for the three homes on Tremblay Court and get them recorded at the Merrimack County Registry of Deeds.

Some CDAC members inquired if an emergency repair usually takes 12 months to complete but Matt Walsh noted when the repair work started, the ground was very saturated and there were some other problems that arose.

**Tremblay Court and Camp Spaulding Grant Applications:** The grant review team from the NH Community Development Finance Authority is scheduled to tour the two sites tomorrow, September 25<sup>th</sup>. Notice of awards will be made October 16<sup>th</sup>. Matt Walsh will be joining the team on their site visit and he is optimistic about Camp Spaulding but feels Tremblay Court may depend on the competition.

3. **Revolving Loan Fund:**

- **Amendment to loan approved at last month's meeting:** Bev Rafferty explained that when she contacted the Flournoy's to advise them that their request for funding for a new roof had been approved, Mr. Flournoy inquired as to the additional funds for the sewer connection. Ms. Rafferty had told Mr. Flournoy that the sewer connection had been asked about at the meeting but staff had been told that project was going to be put on hold due to the cost of the new roof. Mr. Flournoy told her that he had to have the sewer connection done before Winter. Ms. Rafferty informed CDAC that the septic system is not failing but is not working at 100%. Based on quotes received, the Flournoy's would like to request an additional amount of money, up to \$1,000, to have this sewer connection done.

Ms. Rafferty continued that Mr. Flournoy had informed her that the piping is already done; it is just a matter of cutting the existing sewer line in the home and connecting it to the underground pipe that leads to the city's line in the roadway. She also noted that the kitchen sink is going to remain hooked up to the current septic system due to the sink's design and also due to the fact that Mr. Flournoy has been told that if he connects the entire home to the city's sewer system, he must have the septic tank dug up and removed. This is an additional expense that they cannot afford at this time.

She further noted that if CDAC approved the additional \$1,000 loan for this sewer connection, the Flournoy's payment would increase from \$ 113.95 to \$120.85 per month.

There was much discussion on this item. Members inquired if the city codes would allow the home to be connected to both the city sewer system and a septic tank for one kitchen drain. Also, members inquired as to why the applicant was requesting only \$1,000 when they could request more to complete the project now.

Janet Sprague noted the high debt-to-income ratio but Nadine Salley noted CDAC could extend the term of the loan in order to make the payments easier for the Flournoy's to absorb in their monthly budget.

CDAC asked staff to do more research on this; specifically to check with the City Code Division to see what must be complied with for septic tank removal, can the home be on both septic and city sewer system, etc. and bring this request back to the CDAC in October.

- **Racquet Club of Concord:** Matt Walsh reviewed his report to CDAC. He had contacted Mr. Nelson who blamed the situation on the person hired to run the after school/summer camp program. The Racquet Club is behind in their property tax

payments to the city. They currently owe all of 2007 and the first quarter of 2008. Their mortgage with Citizens Bank is \$1.1M. If the City takes the property for taxes, Mr. Walsh stated that it was his feeling that the bank would likely step in, pay the taxes so they don't lose their interest in the property, and try to resell it. The property is currently appraised at \$3.1M.

At last month's meeting, CDAC inquired about late payment penalties. The Program Income Reuse Plan (PIRP) as it stands now does not talk about penalties unless it is an economic development loan. There is nothing in the home rehabilitation, day care, and social services sections about late payment penalties.

There was discussion on revising the PIRP to insert language regarding late payment penalties perhaps in the amount of 10% - 15% of the loan payment but CDAC members thought that was too high a percentage. Matt Walsh continued that the CDFA had no problem with the city charging a late payment penalty.

Discussion continued with Mark Coen asking what purpose the penalty would serve. We have people paying on time but if we do not get the money back, we cannot loan it out again. Most of the loans are small ones. Chairperson Bart inquired if we do modify the PIRP, CDAC could decide if we assess a penalty payment or not. Mark Coen noted CDAC could keep the penalty low; 5% is usual for consumer loans and you can only charge so much.

Chairperson Bart inquired of Nadine Salley if the Community Loan Fund had language in their loan documents regarding late payment penalties. Nadine noted they did. The Chair asked Nadine if she would share the language with staff for use in the PIRP.

Nadine Salley inquired if the Racquet Club was current with the mortgage at Citizens but Matt Walsh did not know that information. If property taxes are not paid within the three year period, the city will have to tax deed the property. CDAC asked staff to keep monitoring this account and keep communications open with Mr. Nelson. One member noted the Racquet Club was having problems from the start but felt the childcare program was going to be a way of help and get them ahead. Staff will keep CDAC posted.

**Alteration of the PIRP:** Allen Bennett made a motion that staff revise the PIRP for submission and review to CDAC with language regarding late payment penalties; seconded by Mark Coen; motion passed unanimously. Nadine Salley will submit sample language to Matt Walsh. City Council will have to approve it once CDAC finalizes its review. This will be discussed at the October CDAC meeting.

**Fund 2701 Account Balance Report:** Mark Coen inquired what would be the target/goal for an amount to keep in the account. The current balance is high (approximately \$417,000); what minimum amount should be kept there? Staff noted we need to keep enough to do a large project. Are restrictions too tight? We may need more marketing effort. Matt Walsh noted the Tannery may be a possible RLF prospect. One of the proposals submitted is an eligible project under the PIRP. CDAC noted marketing should focus on energy improvements. Some banks are focusing on this effort and offering special rates for these improvements. We should get some of our pamphlets out to banks and if they cannot help the customers they can, at least, refer them to us for possible assistance. It would possibly give banks some place to send people they can't necessarily help.

**J. Spaulding loan:** Matt Walsh spoke with Jackie Whatmough at a meeting recently regarding Ms. Spaulding's situation. Staff has received a copy of Ms. Spaulding's Financial Hardship Application to the city re: hardship abatement on her property taxes. Staff shared some information with CDAC from a letter Ms. Spaulding had submitted with the application. Joia Hughes noted Ms. Spaulding's application for fuel assistance has not yet been received at Community Action (CAP). Mr. Walsh also spoke with the Adult and Elderly Services Office and they will check this out to see if they can be of any assistance to Ms. Spaulding. CDAC inquired as to what options they had regarding the loan and Mr. Walsh and Ms. Hughes will review this and report back to CDAC in October with possible options for CDAC to consider. Mr. Walsh noted a reverse mortgage might also be good fit for Ms. Spaulding's financial situation.

4. Other Business

The Request for Proposal letters to social service agencies, day cares, etc. for the January '09 round of CDBG funding will be sent out by staff in October to see if there is any interest in this program for the next round.

There was no other business brought before the Committee.

7. Adjournment

There being no other business brought before CDAC, and upon a motion duly made and seconded, with unanimous approval, the meeting adjourned at 12:55 P.M.

Respectfully Submitted,

Beverly A. Rafferty  
Administrative Assistant